

September 22, 2010

Mary D. Nichols
Chairperson, California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812-2815

Dear Chairperson Nichols:

On behalf of the California Major Builders Council (CMBC) and the California Building Industry Association (CBIA), we are writing to address a letter you received from Metropolitan Transportation Commission Executive Director Steve Heminger on September 20, 2010. In his letter he addresses a quote that we have used as “mischief”. In order to set the record straight I have attached the entire transcript from that meeting so you and the California Air Resources Board members can decide if the quote have been taken “out-of-context”. The inescapable conclusion is that it was quoted in context and no amount of camouflage will change the implications of the scenarios modeled by MTC.

Mr. Heminger states that in changing the emission reduction targets from May the MTC “learned from new information provided by our colleagues at other regional agencies, we corrected some errors we had made, and we revised some of the strategies we examined at the specific direction of the elected officials who sit on the commission”. Unfortunately, all of these “corrections” were not made in the public purview and numerous stakeholders did not have an opportunity to vet these revisions or debate these targets. More importantly, the MTC’s own analysis demonstrates clearly that the targets are unachievable.

We have based our assessment of the SB 375 process and the potential ramifications of overly aggressive targets on the analysis, modeling, memos and power points presentations delivered by the MPOs during the stakeholder process. This is public record information. The statistics regarding gas over \$9 per gallon are quoted from the EIR completed in the Bay Area, which is also attached here. This is the information that was discussed and publicly vetted.

Thank you for allowing us an opportunity to address the statements made by Mr. Heminger on September 20, 2010.

Sincerely,



Richard Lyon, Vice President
California Building Industry Association



Edward P. Manning
For California Major Builders Council

cc: Board Members, California Air Resources Board
Susan Kennedy, Chief of Staff, Office of Governor Arnold Schwarzenegger
Dan Pellissier, Deputy Cabinet Secretary, Office of Governor Arnold Schwarzenegger

**MTC Planning Committee with the ABAG Administrative Committee
and the Joint Policy Committee – 9/10/10**

- Jim Sperring: I'd like to call the MTC Planning Committee to order. We will be convening the ABAG Administrative Committee and the Joint Policy Committee. We just have a little bit of business for the planning committee to do first and we'll get to Item #3 where all three committees will participate. First is the Consent Calendar. Steve, I think you have some comments.
- Steve: I do have one brief comment to fellow commissioners as a question as well as to Steve as a comment. Our Congestion Management Agency in Marin County has consistently found the CMP to be an unhelpful document, not a useful document in planning. This report calls it out as a building block, a primary building block of our transportation system so I have a real disconnect with that characterization. I think that what we're finding is that all of our grandfathered projects, you can't touch them because if you do you've got to do so much that it's not there. So I just wanted to bring that out. I know this is just a pro forma update of our congestion management, but that's part of the problem is we've just allowed this thing to roll along even though I don't really believe it serves. Now I don't know about the other counties but I would encourage Steve and the staff to check in with the CMA directors. I can tell you that in our county it has consistently been viewed as an unhelpful document. Thank you.
- M: I don't know if the chairman of our transportation commission wants to comment on it. I was going to say we just had that exact same discussion yesterday at our meeting and we were assured by our new executive director, Art Dow, that in fact we are going to do our level best to make this a building block. I think we would agree with you at this point that it has been a relatively useless document.
- Steve: It doesn't work multimodally either which as we're trying to get these other things going and integrate our thinking and the land use component – none of these things can get reflected in the plans.
- Jim: Did you want to comment on this subject?
- M: Sure I would, quickly. I would not – I think every county is different. In Alameda County I would not consider it to be a useless document presently, or for that matter in the past and I certainly don't think it will be in the future either so I will not join the Marin chorus line on that one. I think that actually in our case we've used it successfully and will continue to do so.
- M: Steve, do you think a review, or come back to the committee to talk about?

Steve: Look, I'd be happy to. Doug and I were looking at each other with puzzled looks on our face because...

Jim: I saw that.

Steve: ...we generally do not view this as a major item of business. It's a Federal mandate so we've got to do it and we try to do it in a way that minimizes extra effort and trouble for the CMAs. I mean what we do with the CMAs goes well beyond this – someone called a pro forma. It more or less is attempting just to encapsulate the work we do with the congestion management agencies. That's what we've tried to fashion it as. If it's not performing to that purpose we're happy to review it.

Jim: What I was thinking, instead of taking the time here is to – maybe Steve has some issues that really are worthy of discussion. So I would like to see if we could bring it back and just...

Steve: Happy to do so.

Jim: ...and just maybe have an overview. And if one of the two of you can contact Steve and kind of maybe get a little more detail so when it does come to us we have a better understanding of what he's referring to.

Steve: Sure

Jim: Thank you. We have this item on consent. Is there a motion to approve consent? We have a motion and second. Any dissent? Hearing none that motion passes unanimously. We'll now move on Item 3, this is the MTC Planning Committee/ABAG Administrative Committee/Joint Policy Committee Discussion: Implementing SB 375 and its Sustainable Community Strategy.

M: We have to call the Administrative Committee to order.

Jim: Oh, okay.

Mark: I'll take a brief roll call. Supervisor Adams (here), Supervisor Avalos (here), Supervisor Cortese (here), Supervisor Gioia (here), I am here, Supervisor Haggerty (here), Supervisor Gibson (present), Councilmember Licardo, Supervisor Luce, Councilmember Pierce (here), and Supervisor Spering (present). We do have a quorum.

Jim: You know Mark, I would like to go around the table real quick and have everybody introduce themselves and who they represent.

Tom: (?) with Housing American Development

Steve Kinsey: Marin County Cities and County

Dave Cortese: Representing ABAG.

Mark Green: Mayor of Union City, President of ABAG

Julie Pierce: City of Clayton and ABAG Admin

Rose Jacobs
Gibson: San Mateo County Board of Supervisors and representing ABAG
Executive Board

Jean Roggenkamp: Bay Area Air Quality Management District

Jane Brunner: President of Oakland City Council, representing ABAG

John Gioia: Contra Costa County Supervisor on ABAB, Air Board – I think I’m wearing
the ABAG hat today.

Susan Adams: Marin County Board of Supervisors, Vice President of ABAG and just to
note, it’s minor, but in the minutes it said Susan Adam, not Susan Adams

John Avalos: San Francisco Board of Supervisor – ABAG Executive Committee and
Admin Committee

Pam Torliatt: Mayor of the City of Petaluma and Director for the Bay Area Air Quality
Management District

Doug Kinsey: MTC staff

Adrienne Weil: MTC General Counsel

Steve Heminger: MCT Executive Director

Ezra Rapport: ABAG Executive Director

Ken Moy: ABAG Legal Counsel

Chris Daly: From San Francisco, here with the Air District

Dorene Giacomini: USDOT representative to MTC

Tom Bates: Mayor of the City of Berkeley, Air District, BCDC

Ann Halsted: Representing BCDC and MTC and also MJPC

John Rubin: Representing the Mayor of San Francisco on MTC

Amy Worth: Representing Contra Costa cities on MTC

Scott Haggerty: Alameda County Supervisor, Air Board Member, ABAG Member, MTC
Chair

Ash Kalra: City of San Jose Councilmember and also on ABAG and BAAQMD

Jim: Thank all of you for attending. One thing before we get into the next item which Doug I guess you're kicking off is that I would encourage everybody, as you hear information here, you take it back to your respective agencies, share it with your colleagues, make sure that our sphere of information is broadened, other than just this committee. As we embark on the SCS one of the important points of being successful is how well we get information out in the Bay Area among the elected officials and policy makers. So with that said, Doug...

Doug: Yes, I'll handle the first item. This is a review of the California Air Resources Board's staff recommendation for setting greenhouse gas emission targets. This was released August 9th of this year and it's included in your packet with a brief summary from your executive director. You'll recall in July MTC adopted greenhouse gas emission reduction targets of 7% in 2020 and 15% in 2035 compared to 2005 and the CARB staff recommendation is to accept those targets. So that's what they're recommending to their board which is going to meet September 23, 2010. One thing that the CARB staff is not recommending at this time is uniform targets. That was one of the principals included that was adopted by the commission that we were recommending that CARB consider having statewide uniform targets for both 2020 and 2035 and it doesn't seem to be that's going to be the case with the CARB recommendation. However, given the CARB recommendation and recent developments in Southern California we think that we're in a pretty good position and so we're recommending really that the staff not make any – or the commission not take any action at this time. We're going to present the principals to CARB – Steve will be doing that on September 23rd where we will support the recommendation for the targets - the consistency with the targets between what you adopt and what they're recommending and we'll also recommend, although it's unlikely that CARB will go along with this statewide uniform targets. So that's my summary. I'd be happy to answer any questions you might have.

Jim: I would like Steve to kind of expand on the process that's going to go before CARB and with the other regions.

Steve: Mr. Chairman, happy to – in your packet on Agenda Item 3a. you can see the targets for what they've been calling the Big Four metropolitan organizations that the staff of the Air Resources Board has proposed. You'll see that they have an asterisk for the targets in Los Angeles which is under the jurisdiction of the Southern California Association of Governments. The other three targets in the Bay Area, Sacramento and San Diego, as a result of board actions in those areas that recommended target levels, the staff is essentially copying back those recommendations. In the case of SCAG, the staff report had to be released before the SCAG board acted. The SCAG board acted after it was released and requested lower targets of 6% in 2020 and 8% in 2035. They did so in a deeply divided vote. SCAG's board is like bigger than anything you've ever seen so it was like a 29 to 21 vote and the question now before the Air

Resources Board is three of the regions sort of made it easy on them by asking for targets that they thought were appropriate. Now there is a disagreement for the target for the largest metropolitan area in the state. The other thing that the CARB staff did – it's not shown in that table – is they identified targets for the Central Valley of 5% in 2020 and 10% in 2035. So significantly lower than the targets for the other four large metropolitan areas. One reason that is troubling is that the growth that the Central Valley is expected to experience over the next 25 years is about equal to the combined growth of the Bay Area, Sacramento and San Diego. They are going to grow really fast and I think one of the things that motivated us to recommend, and the Commission to endorse the notion of uniform targets is that we're all in this together and we certainly shouldn't be having the fastest growing area of the state shooting for a lower target than the rest of us. And when you look at the targets for 3 of the 4 large metropolitan areas they are so close that there's really no good reason why they shouldn't be the same. As Doug said though, I think we've probably lost that argument already and I think the discussion at the Air Resources Board at the end of the month is not going to be about putting these numbers together, but probably about trying to keep rebellions from breaking out in Los Angeles and the Central Valley. So I think it is likely that we will wind up with separate customized targets. I think for 3 of the 4 metropolitan areas they will probably be more or less the same, not identical. I think one key question is whether they will stick with their staff recommendation for L.A. or go with something lower that L.A. has requested. And I think in the case of the Central Valley, at least our understanding is that some folks in the Valley think 5 and 10 is still too high and may be asking for something even lower than that. So that's the state at play as we understand it and as Doug indicated I plan on being there on trying to encourage them in the direction of uniformity, but probably going to end up falling a bit short on that.

In terms of our own interest, just selfishly here in the region – I think we had a long discussion about it regionally, this committee as well as the commission and the staff is recommending what we ask for. So I think we're in pretty good shape in that respect and I would not expect the targets for the Bay Area, Sacramento and San Diego to change from what is shown here. I think since we asked for them and the staff is recommending them, I think the Board is likely to approve them.

M: Doesn't the Valley that has the most growth potential have the most opportunities to deal with this?

Steve: Absolutely. I know most of you are familiar with the situation in the Central Valley and it's not pretty. Their economic condition is far worse than anywhere else in the state - their levels of poverty, long standing issues, their levels of air pollution for that matter, and as the climate warms it's going to get hotter and hotter out there. So I think there is, on behalf of the staff of the Air Resources Board, a concern of not dropping the hammer down too hard on the Central Valley, but in my opinion the Central Valley is the acid test of whether this statute is going to work. The fact that the Bay Area, Sacramento and San Diego asked for relatively

high targets I think is an indication that most of you want to do this stuff anyway and many of our policies have reflected this direction for years. So I don't think we're the hard case and I don't think we need a state law to tell us to do a lot of this stuff. I think the Central Valley does and if the target undershoots I think we really are running the risk of underperforming on reducing climate emissions.

Scott: I guess in relationship to the Central Valley, to me it's kind of like this is what we're trying to get at. If you want to grow you have to show how you can do it and not harm the environment which would say to me that they need to put together very good transit programs before they start figuring out how to just build houses. I think they're not really understanding the whole intent of what it is we're trying to do here.

Secondly, has there been any discussion Steve amongst the four MPOs, your peers anyways, to try to say look we're the big dogs in the house, let's have the same figure? I realize now that Los Angeles has kind of gone sideways, but to me it doesn't seem right to me, or even intuitive, to have the major MPOs anyways to have all these different goals. It seems like I believe the state should have their goal. I believe there should be one goal. Has there been a discussion amongst the four to try to say look, let's take the lead in this?

Steve: Oh, lots of it.

Scott: But you just can't get there?

Steve: One of the ticklish things, and just as the Central Valley is growing faster than the rest of us, one of us is growing faster than the other three and that's Sacramento. As Commission Sperring indicated, really the faster you grow the more capability you have for change.

F: Exactly

Steve: And so the difficulty we had is a slower growing region like ours versus Sacramento, we were trying to find the happy medium. I think we got pretty close. The numbers are identical in 2020, with the exception of SCAG. And I think over time we might be able to pull off a uniform 2035 target. Remember this is just CARB's first pass through this action. They're required by law to revisit these targets every few years and so we may lose the argument on uniformity this time, but I think we might be able to win it later on.

Pam: With the other counterparts have you put together some sort of presentation or something that looks at how they could actually do better? You put it together for us basically, but when we're looking at the state as a whole, is CARB putting that kind of a presentation together to look at where people really have the ability as was being stated, to in the fastest growing region, to actually reduce their impacts? I would think some sort of chart would make it really clear of why we're doing this – not because we want to, but because we really need to.

Steve: You have seen the work that we've done here. You've had to sit through it. And my counterparts at the other three Big Four agencies have done the same thing to quite a level of detail and I think one of the most valuable things about this process is that it has caused us to do this work together and it's required us to harmonize a lot of our assumptions. Up until now we all had a different price of gasoline in 2035. Now one thing we're probably sure of is we're all wrong, but we should all be wrong together instead of one guy thinking it's \$7 and one thinking it's \$5 because that obviously has some affect on how you think people are going to travel. So we have learned a lot of lessons in this work and one thing I do want to do and you're reminding me is that when we go through this for real now - and we're about to kick off the process in the Bay Area for real – I do want to bring some of the lessons that we've learned from the other metropolitan areas to bear here because we don't know it all. We think we do sometimes, but we don't know it all and we can learn a lot from what Sacramento and San Diego and even Los Angeles, what they're doing.

Pam: I guess my point is have you put it together cumulatively to show the stark difference of what could be done in these other areas.

Steve: Yeah, we have.

Pam: And CARB just is not...

Steve: Well again, CARB's got their hands full right now. As you know they've got a couple of ballot measures pending – one especially that would throttle their overall climate change program. So I think there is a bit of thinking up there that they would like to do this without ruffling a lot of feathers. And so when you do have three different big metropolitan areas saying here, we're willing to have this target, and if it's high enough for CARB they're going to say you've got it and that's what they've done.

Pam: I'm concerned about the Central Valley target. That's what I'm saying.

Steve: What I've heard, again most from the staff on an informal basis – I think we'll hear more of it formally at the board meeting – is it's almost at a level of pity, if I can use that word, for the Central Valley. Like those guys are in such bad shape we really can't run them through the wringer here. And I don't think that's the right approach. It's almost patronizing to me. But that seems to be the attitude that we really can't ask them to do as much as other regions in the state when in fact I think we should be doing precisely that.

Jim: Amy and then Sue.

Amy: I just had a couple of questions, coming back to the Bay Area. I guess these are questions that I've continued to have, but I guess as we grapple with this I'm still struggling with it. First of all we've identified some

targets, but I think part of the debate is we haven't agreed on how we're going to get there. So I think that's where the Los Angeles fight is coming out because those folks, those cities know that their people are going to be impacted by the cost of this. So I guess my question is at what point do we have an open, public discussion about some of the issues that staff brought last time in terms of say if we're going to require people to live in different places, if we're going to tax people for driving, what are those costs going to be, and at what point does that become part of the public debate? Because I think that's part of the discussion here, probably in all the areas. And representing a county where my constituents are going to be paying a lot if we move in that direction, I'd just like to know – I think it's important that we know how we're going to do it and what those costs are going to be? And again, engage the public really in understanding this.

And I guess the third question I have is what's going to happen if we set these targets and then we understand that the way we're going to have to do it is by measures that this region isn't prepared to take on, then what happens to the region when we have these targets and we're not achieving them?

Steve:

The short answer is we're going to be starting that for real in a couple of months. I think we tried to emphasize to you when we showed you those very broad planning scenarios about land use changes and road pricing and transportation demand management that they were just that – they were planning scenarios. They had no more constituency than me and Doug. That was it. We dreamed them up. We put them on the table. We were trying to just inform your process of picking a target and Commissioner, you're right. I think everybody is looking at targets without really knowing how we're going to get there. So that's a big nerve wracking. Now, CARB will establish the targets this month one way or the other and then in a couple of months after we will have to start the scenario planning process for real and that's a process where we want to engage you and your citizens and your local staff in developing those scenarios. That's not just going to be me and Doug. That's going to be everybody and it has to be for real because we've got a plan here that we've got to adopt that under Federal law has to be realistic demographically and financially. We just can't make it up.

Now, to your last question – what happens if we go through all that and we don't get to 15%? Well Senate Bill 375 actually does have a trap door that says if you can't make it you're allowed to do something else called an alternative planning scenario. CARB has to agree that you can't make it, that you're not sort of fiddling with the numbers to make it look like you can't make it. But if they do you're allowed to do this alternative scenario which theoretically at least, we haven't been through this yet, but at least as it looks in the law, allows you to adopt the plan and not meet the target. So there does seem to be a reasonable path through this that if the target turns out to be too high that you're not able or willing to really put the strategies together to get there, you've got an out.

Jim: Before I go to Sue, just follow-up Steve. As we go through that analysis are we going to be looking at what projects help us get there and which ones don't? Is there going to be a "this is a project we probably shouldn't be doing and this is one that we should be doing?"

Steve: My sense of it is Commissioner that we'll probably be looking at 5 broad categories of things and you've already seen 3 of them. One is land use changes. A second is road pricing – always a popular subject. A third is transportation demand management – what employers and others can do. A fourth is infrastructure – what projects are in the plan? Are they pulling in the right direction? A fifth that we've given very little attention to is what I would call smart driving and that has to do with the fact that emissions for greenhouse gases are on a u-curve and if you're going too slow you've got too many emissions. If you're going too fast you've got too many emissions. There's a little goldilocks spot where you want to be and so strategies that reduce speed in some cases or increase speed in others are also ways to reduce greenhouse gas emissions. So I think at least those 5 broad categories, there may be more, we will be examining and trying to put together sort of a menu of what really gets us to the target in a way that we can all stand by.

Jim: Sue and then Dave.

Sue: I'm just going to add to the discussion that we're kind of all in this together and what happens in the Central Valley really impacts our area - their truck traffic coming through part of the area. And I think the success of this really rests on political leadership and I think that's why the Bay Area has been so successful in doing this. Along those lines, I was curious, does the League of California Cities, are they involved in playing a role because I think they actually speak for – they have a very vocal membership from the Central Valley and maybe that's a way to get at it. At a previous MTC legislative meeting we had a discussion on Proposition 23 which would undo a lot of this and if you look at the cities who are supporting this many of them are Central Valley, Southern California cities. You don't see any cities from the Bay Area. I think we really need to bring the League into this discussion. I don't know if they play a role, but I think they would be a very important education viaduct to maybe getting to some of these cities because they have so many other problems. They're more concerned about jobs and the climate and the environment is not high on their agenda. It's not going to happen unless you change the political leadership education in that area.

Jim: Dave and then Julie.

Dave: Kind of a process question, but it seems to me if I'm reading and understanding this right that some of the attention is obviously trying to get everybody on or very, very close to the same target in all these congestion management areas basically, or these COG areas. But all of it is just to inform the statewide target setting basically. It's not going to be binding in and of itself. Does it make sense at this point to accept everybody's kind

of thorough, detailed work as autonomous and well thought out, but then try to come up with a blended analysis, a blended number? I don't know why – I think it's because of years of serving on pension boards – all of a sudden I'm looking at this saying you're not going to be able to pull all of this diversity together in one number, but what you could do, almost as an actuary would do, is take all this now and analyze it collectively and see what does it really mean in terms of what I would call a blended number or a leveled number and once that's done then it seems to me you can work the alternatives off that blended number because if Santa Clara County stops growing dramatically in terms of housing it probably means – I'm just throwing this out there as an example, it may not be sound – but maybe it means that Central Valley all of a sudden does pick up and starts to change more dramatically. We saw that happen in the 90's. I don't know what those alternatives might look like, but it seems to me that once we could get at least something that everyone could agree is a statistically valid blended number then you can get to the next level and start working on alternatives to submit to CARB that might allow some flexibility down the road. The question on that is, is that possible? Am I distorting the process, or what?

Steve:

I think it's possible. The law does require CARB to set these targets by metropolitan region. That's the law. Now it doesn't prohibit them from setting the same one and in fact that's the advice they got from the advisory committee that I participated in. They don't seem inclined to do that. The fact is when you sum up the results of these targets you get a number. You get a greenhouse gas emission reduction. That number is fairly close to the number they had put in their initial scoping plan – the scoping plan they adopted under AB32. So despite the disparity and all the numbers moving around, what they produce in terms of greenhouse gas emission reductions is pretty close to what CARB wanted. Now I think largely these different numbers raise questions about equity between region and whether business location decisions and other things might start getting made on the basis of this and I think it's too soon to know that, but I think that was one of the concerns that our advisory committee had about picking different targets. Now I think within the region Commissioner we will very much be blending and the discussions we've had – we were just up in Solano County yesterday – in various counties around the region, some counties are going to do more, some are going to do less and that's going to be fine as long as we can try to get to the regional objective that we're trying to reach. I do think once we get past this statewide process - which anything statewide in California just seems to be messy these days – once we're back in our own sandbox, I think your blended approach is exactly what we're going to do.

Dave:

I guess from a technical standpoint just one follow-up question. Is it possible to satisfy CARB's desire to have individual numbers like we have now, and also submit to them something that they'll take seriously, meaning this blended approach number as well? Not an either or – say here's your individual numbers, we're in compliance now, but here's what we think it looks like when you blend based on actual growth, actual

population, on a statewide basis instead of trying to look region by region and give them both to try to help guide them so at least there is some chance the final number comes in close to what we would feel the blend is. I realize that's costly for someone to do that work and maybe that's going to be part of the issue.

Steve: But I do think it's conceivable and now that I'm thinking about it as you've been asking the question, the thing we've got to keep in mind is that not necessarily everybody is going to meet the target established, right? You may have some regions that do and some regions that don't and then do an alternative scenario and so they're only going to get so far toward their target. And as you say CARB is going to have to true that up and figure out whether as a state we are still getting as far as we need to go? And I would expect that might mean ultimately adjusting the targets over time, and frankly that's another reason to worry about starting with these kind of disparities because if they're going to set – let's say a 10% target in the Central Valley and what the Central Valley is able to do is 7, well who do you think they're going to ask to do more next time around? So all the more reason again for all of us to be in the boat together and not some of us somewhere else.

Dave: Thank you

Jim: Julie and then John

Julie: Thank you. I appreciate the work that staff has been doing on this and as I went through the League of California Cities resolutions with my City Council the other night and got direction on how to vote I have to tell you this whole process is becoming very troubling. I think in many ways the process, while well intentioned, is backwards. We are setting a target and then figuring out if we can meet it and what is that cost going to be? We don't even know. You've heard me on this over and over and over again, giving the scenario of my cities out in East County of Contra Costa where many of them commute 60 to 70 miles a day each way because many of them commute to the Silicon Valley. They commute to San Jose. They commute to the city. And we don't have mass transit out in East County yet. We're working on it, but we don't have it yet and if the 50 cents a mile, vehicle miles traveled tax was imposed that's a huge financial burden. Will it drive some of them to change the location of where they live? Probably not because the cost of moving in closer isn't going to get cheaper. Will it allow businesses to move to those locations where the folks are? Good question. If it's a lot cheaper to locate in the Central Valley that's where they're going to go. I think we have got this a little bit backwards. We haven't figured out what we can afford to do and then set the targets by what's actually achievable. But that said, I will tell you I have great concerns about what's going to happen with AB32 and the ballot measure in November. Having been a member of the task force committees at the League and going through the discussions about support and lack of support for AB32 over the last several months and the healthy discussion that's taken place at the League about whether to

accept the task force recommendations, I see where the Central Valley and Southern California are coming from. That's where this effort came from to overturn AB32. And that's consistent with what they're asking for in targets. They're saying sorry folks we don't want to do it. I hate to tell you but I think there's a lot more Northern California people who believe that too. We in this room may think it's the right thing to do. We may agree with the idea – and believe me, I talked myself blue in the face on Tuesday night trying to convince my Council to oppose this initiative at the League of Cities and I was outvoted 4 to 1. I went down in flames. And they are absolutely adamant so I'm going to have to go and vote opposite the way I personally feel because I've been directed how to vote at the League. But I've got to tell you it's not looking pretty. So I'm a little concerned about yes, I want to be a leader in this state and I think that's the right thing to do, but I have a feeling we're in trouble and I guess my biggest question to staff is what happens if the initiative in November passes? What does that do to this effort? Does it just blow it up, or put on the brakes? What does it do?

Steve: Our understanding is that even if the ballot measure passes that this effort will continue. Senate Bill 375 is an independent statute, enacted separately, not covered by the express terms of the proposition. Now whether or not there will be litigation about that, I would probably bet you money there will. But at least our reading of the law is that this process will continue. At the very least I will tell you our process for adopting a regional transportation plan will continue because that's a long standing obligation. And I think the other point to make is that a lot of the programs and projects and strategies we are discussing here we have been pursuing for years, for other reasons, whether it's public health or mobility or livability and I think that work is going to continue as well. What's new here is this greenhouse gas overlay and a target from the state. That's what's new. But a lot of the guts of this is not and I think is going to continue either way.

John: I was just going to ask Steve, what's the actual date that these targets need to be set?

Steve: September 30th

John: They need to be set by September 30th. So is it your sense that CARB is concerned that pushing too hard on some of these is going to play into the opponents? Clearly there's a political component going on here. Realistically I think that's what's at play.

Steve: Yup

Jim: Pass the mike to Jane.

Jane: I just have a quick comment. In looking at the minutes I think we haven't captured the issue on pricing and I think that it's important that if we spend our time here and we actually make comments – I'm not going to repeat

my comments from last time, but I think there's been several people talking about pricing and we should make that clear in the minutes that that's not a full agreement.

Jim: Okay. Scott?

Scott: Steve, in reading the staff report, you mentioned and we had a little bit of discussion about SCAG being deeply divided. Did I hear you say that there's a possibility they may revisit their targets?

Steve: I just talked to their Executive Director this morning. I don't think it's likely in fact that the SCAG board will act again or meet again before the 23rd. In taking the action they did they also sent CARB sort of a list of demands that maybe we'd be willing to go along with your targets if you met the following umptump conditions and so my sense of it is that the contour of the debate before the CARB board is whether any of those conditions are things that CARB could get behind? For example, we could sure meet these targets easier if you stop stealing our transit money – things like that. Some of which I think you'd probably endorse wholeheartedly.

Scott: That's a novel idea.

Steve: So I think that is probably going to be the context for the debate. Should the board reduce the targets in response to what the elected officials in L.A. want? Or should they keep them where they are but try to respond to some of the, I think very legitimate concerns they have about other state policies that are running counter to this effort?

Scott: The concern that I have is I actually had a CTC commission call me and basically want to know what it is that we're thinking here. You could probably figure out who it was. My thought is on this though is if San Joaquin County for example was able to lower their numbers and then for some reason maybe SCAG shows up at the board meeting and requests lower numbers and gets them, and then as we start moving down the road we don't start hitting our targets because we set higher ones – how does that affect us in relationship to our ability to get transportation projects? I view L.A. (sorry) I view them as a greedy group of people and if they could have every dime of transportation dollars down in L.A. they would be really happy. Actually they probably wouldn't be happy because then they'd want Nevada's money too. But I'm just saying to me I'm concerned that we've set the goals that I think we should set, but yet now we're seeing this splinter group go off and get lower numbers and possibly position themselves, and SCAG will probably realize this, that they positioned themselves – “look at the Bay Area, they set these high numbers, they're not going to meet them. They're going to lose transportation dollars and now we get their money.” And that could be an argument to set lower goals.

Steve: It could be. I think there's a little bit of reassurance in two respects. One is my understanding is L.A. Metro which is by far the largest transportation

agency in that region is probably going to send CARB a letter supporting the targets. So the SCAG action to some extent was unrepresentative because as I understand it most of the L.A. members of the board were absent that day. Secondly, again, there is no requirement in the law that constrains your ability to decide how to meet the target. The state is going to set a target, but the field is pretty clear, wide open about how we go about doing it and it doesn't necessarily have to involve just infrastructure projects. In fact I think in this region it will involve a lot more besides that because as I think you all are aware we're spending 80% of our infrastructure money just taking care of the system we've built. So it's not like we've got a lot of expansion going on. It's precious little. And I don't think anyone is going to suggest we ought to stop maintaining our roads and transit systems. If anything we may have to spend more on it. So I think the debate here about how to meet the target is going to go much beyond a fight over this project versus that project. We'll have that, I'm sure. That's a perennial feature of our planning process. But I sure hope that's not all we do because we'll be missing the much larger share of the picture.

Jim: David Schonbrunn did you want to speak on this item?

David: Yes – David Schonbrunn, TRANSDEF – I wanted first off to agree very much with MTC's executive director on the issues of uniform targets for all of the state and in particular the need for a much more significant contribution from the San Joaquin Valley. This is very much heading in the wrong direction. But I wanted to add on to comments that I've made in earlier meetings about the absence of context in the previous target setting. What accompanied this staff report, partly as a result of requests that I made to ARB, they've produced a spreadsheet that shows the emissions and emissions reductions and as the MTC executive director said, the ARB AB32 scoping plan had initially set a target of 5 million metric tons. What was accomplished by these regional targets is 3.4 million metric tons. So what that's saying is that the SB375 draft targets don't meet the plan that was set and that scoping plan had a hole in it of 34 million metric tons where they couldn't find adequate reductions. The significance of this is that this is by no means aggressive, even though it's not necessarily easy to accomplish the targets that you've already set. Those targets themselves result in increases in overall emissions for the region, both in 2020 and in 2035. It's essentially a million metric tons in 2020 and then added to that is another million metric tons. So these targets, while challenging, don't actually even balance out the growth that's projected to occur here. I think it's important for you to have that in mind as you go forward that this is fairly weak when it comes to climate. I would respond to the people who are saying sorry folks we don't want to do it – you may be far inland in terms of rising sea levels, but we're seeing wildfires, catastrophes, flash floods – this is just the beginning of what climate change has in store and the people that don't choose to get on board now are going to cause everybody to suffer later.

Jim: Thank you David. I'm going to take one more public comment and then your comment and then I'd like to move on to the next item before we run out of time.

Mark: What's the relationship between the population coming from SCAG and the aid to San Joaquin Valley MPOs? Anybody have that roughly?

Steve: Not off the top of my head. SCAG is what, 40% of the population of the state?

F: Yes

Mark: So the point then is that SCAG is much larger than the 8 San Joaquin Valley MPOs. Is that a true statement?

Steve: Yes

Mark: So if that's true I think all of our hand wringing about the Central Valley is somewhat misplaced. I think Scott was closer to the truth there if we're going to be saying anything at all and that is that SCAG can't be dropping down to 6 and 8. That's the bigger animal out there in the arena – SCAG. That's who we need to be fortifying at CARB, that those figures cannot be going lower. The Central Valley, it's easy to pick on them on and on and on, but in relation to the overall picture that's not that big of a deal. We need to be pounding on SCAG that those numbers can't be going down to 6 and 8. If we're going to be saying anything to CARB that's what we need to be talking about.

Jim: Thank you Mark. Let's move on to the Regional Housing Targets. Paul, are you going to present this item?

Ezra: I'll introduce the item. We have two items on this report. Both of them relate to our ultimate determination of housing need in the Bay Area. That's an unconstrained number that SB375 works from and to develop a base case where all cities will look at the distribution of housing to meet the unconstrained need and from there we've developed realistic scenarios of what can actually be achieved through the engagement process with local government. But before we got to the housing need determination we wanted to work on some of the key assumptions that build into that. So there's a lot more transparency as to how we got to that number. And one of the key elements is the assumption of employment growth in the Bay Area. We looked very carefully at not only the way our models have been projecting employment growth, but at the historical data and what we found is that over the last 20 years in the Bay Area there's been almost no employment growth at all. In fact there's been a drop when you consider the latest recession and that's a very important fact that we need to explain as part of the narrative of what's going on in the Bay Area. Now it's really important from our perspective to get this number as close to accurate as possible. For one thing it impacts the total housing need that we have in the region. For a second factor it impacts

how local governments do their land use planning. Because we're talking 25 years out into the future local governments need to have some understanding of what the employment growth will be. And third very important factor is in transportation planning because your infrastructure investment depends on ridership for transit for example and if employment numbers are substantially less than what's being projected you're going to overbuild a transit system or you're not going to get the ridership that you project. So we feel that it's worth the time to look carefully at how employment growth is projected. We engaged a peer review committee of economists to look at the numbers. We've looked at how the other metropolitan planning organizations have done their forecasts and we've found that the Bay Area's forecast was substantially higher than the other regions in the state. So what we're presenting today is the fact that we have two different scenarios of employment growth forecasts. We have not concluded which is the right forecast. We do not think ABAG should do that unilaterally. We would like to have more conversation with MTC about that so that we have a consensus position and so I would think over the next 3 to 4 weeks we'll be developing a sharper analysis. But we wanted to bring to you some of that information today because in November we're trying to get to a housing need forecast.

The second part of the report has to do with the demographic analysis which also has a major impact on housing need. Our population in the Bay Area is aging and that is a substantial change in the way households form. If we operation on their existing assumptions about how households form, the housing need is going to be a lot higher. But we're not sure that behavior in the future is going to be exactly the same as it is today. People maybe live more intergenerationally. People who are retiring may cash out the equity in their houses and move out of the Bay Area.

M: (inaudible)

Ezra: Yes, there are all kinds of affects that we should at least be thinking about when we do demographic assumptions. So some of that baseline information is being presented to you as well. Thank you.

Jim: Before we get started, maybe you can tell me where these houses are that have equity in them in the Bay Area! With that, Paul.

Paul: We'll get to that later. Why don't we start with the slides. As Ezra was saying and some of the material in the packet describes, besides the greenhouse gas target that we've been discussing this morning, there's another target that's part of the sustainable community strategy. The law requires us to plan for housing for the entire population of the Bay Area by income category essentially. So it's really something like a 25 year housing target and when we do that sort of planning we're talking about planning for the demand for housing, something that's due to demographic factors like the natural increase in the population, employment growth (because that tends to have an affect on both in commuting and in migration) and rates of household formation. But the housing does also

need to be by income category. It doesn't seem to be that it's constrained for the housing demand target by the supply side – things like construction issues, local plans. It's really something that's driven by the basic demographics of the population. If you look at projected development versus demand, what we did here is look at the long term forecast of projected development. Those lighter blue bars represent what we had as the forecast of households in Projections 2009, something less than 650,000 housing units added between 2010 and 2035. When we do – and again, we're in the process of estimating these numbers so there's nothing final here in the forecast by any stretch of the imagination. But when we start to mark up the numbers you can see that the housing demand, just by demographic factors, looks like it could be substantially higher, something more in the order of 900,000 housing units. And when you look at that distributed by the income categories in the 2000 population, the same things we used for the last RHNA process, you can see that the majority of those housing units that are added are affordable housing units, that the need is that great, because typically in the Bay Area when we build housing we overbuild, according to the demographics, market rate housing. We have a much more difficult time building affordable housing in the various categories. So we're in something of a hole in that sort of a situation.

Method for Estimating Demand – Six Steps

We'll talk about a few of them anyway. Estimating employment growth, determining this headship formation rates as part of the process of actually getting to this housing need. Employment assumptions talks about regional models used to estimate long term employment growth. Typically at ABAG what we've used is a pretty detailed set of models looking at personal consumption investment, government purchases, exports – the sort of things that drive both the national and regional economy. When we think about these sort of issues what we're really thinking about is the relative position of the Bay Area compared to the rest of the country – our competitiveness, if you think about it, or our market share, driven by the national economic growth. In 2009, the last time we did a forecast, we actually reduced the jobs for 2035, compared to earlier forecasts, because we had information about the most recent economic downturn. The Executive Board I think adopted that forecast in March 2009, so when we really did the numbers it was probably late 2008. As we approach this next revision and we've had a little more experience with the economy – not very good experience I'm afraid – we're expecting to further reduce the long term job prospects in the forecast.

Historic employment growth – from 1960 to 1990 the region experienced annual average employment growth something over 5%. Since 1990 there have been gains in employment growth, but have declined since 2008. I think the last bullet is actually an error. In 2000 the Bay Area had about 3.5 million jobs. Today the job estimate is about 3.2 million. So at the last two recessions what happened was that the peak of jobs in the Bay Area was at the end of 2000. Hundreds of thousands of jobs were lost in the next 2 years and a slow growth out of that recession. So that

there was job growth in 2004, 2005, 2006, 2007, into 2008, but it hadn't even quite made up to the 2000 mark at that point when the second recession occurred. So we're actually at a lower job number now than we were in 2000.

Long term implications of the current economy – recent data suggests 2010 employment forecast was overestimated as I have mentioned. The macroeconomic data suggests slower recovery and slower long term growth trend. When we're looking at these in the models we're getting information from macroeconomic sources – federal budgets, federal projections of economic growth – and trying to figure out from our standpoint what our market share of these things are going to be. As the federal estimates reflect a slower national economic picture going forward, coming slowly out of the recession, it also tends to mean that we're going to forecast lower economic growth for the Bay Area. Initial estimates for 2035 prior to running the model, a reduction of approximately another 200,000 jobs, from 5.1 to 4.85. Again, this is kind of ballparking the numbers as we're trying to actually do the detailed forecast. Other economists have projected employment to be as low as 4.4 million. There have been some other estimates I've seen at about 4.7 million. We continue to look at other information that's out there. So as we are trying to get a handle on the number, what seems very clear is that even though we reduced the numbers from the last forecast, the job numbers are likely to go down from there.

This is supposed to be a picture of – did you hear about this traffic problem they had in China a couple of weeks ago? There was like a traffic jam that went on for days. That's what that picture is. So accurate forecasts are essential for long term regional planning. (It's not in the Bay Area!) We've been preparing the long term forecast every two years and we periodically prepare the forecast. So as we're doing this, as we're trying to ballpark these numbers – just like we're talking about in the future the greenhouse gas targets could be revised – things like a housing target, things like the economic assumptions that go into it will be revised in the future as well.

When we think about the forecast of course what we want to do is hit it right on the button, do it accurately. But when you think about the risk of these things I think it's important to consider that. Too high a forecast can overemphasize potential land use conflicts, but at the same time if you think growth is going to continue to occur across time, another way to think of it is you're planning for growth earlier than it might occur. Too low a forecast can cause insufficient amount of housing in the region, inadequate planning for transportation and maybe building down people's expectations of business growth. So there seem to be risks on either side.

The other issue that this feeds into the housing target is the idea of household formation – in the technical jargon, headship rates. It's the percentage of people that are described as the head of household and that's something that comes from the U.S. census definitions in these different age groups. Each head of household forms an individual

household and typically requires a housing unit. Headship rates are actually broken out by different age category, by different racial ethnic groups. Historical information says that there are some differences in headship rates household formation. As you look across these bars what you see is that older people tend to have higher household formation. The other way of thinking about that is smaller households. The kids have left, maybe a spouse has passed away, maybe the people have been divorced, maybe they have just chosen to live alone. Various things like that happen so that household formation tends to be greater in the older age groups. It does have an impact on the number of households that you need, so part of the idea of planning for this is to try to do it in a detailed way. Two reasons for doing that – it seems more accurately and the state does it that way too and as we're trying to true up some of this information with some of the state requirements for the Regional Housing Needs Allocation, talking the same language seems a pretty appropriate way to go. I'll say the other thing about rates that are important for migration and this housing target, labor force participation by age group – it's not something we've brought today and perhaps in the future we'll talk about that. As we have older households a lot of those people will still be working – that idea of there's no equity for somebody to cash out. Most of the demographics talk about older workers, an increased rate of work among older people. I'm not talking about 90 year olds, but I'm certainly talking about people in their 60's and probably into their 70's.

So Next Steps – run both demographic and economic models to produce population and job forecast in detail. Present the method and estimates for a housing need, and that's something we'll be doing by income category because that's required by the law, to the full November ABAG Executive Board. We'll be using the data to run a base case forecast and apply housing need.

Let me tell you, earlier this week at the Regional Advisory Working Group we provided this sort of information and there was a pretty good discussion about the idea of whether this unconstrained household forecast, this housing need, was the same as what we would be using for the modeling and the greenhouse gases. I think staff had had the idea that there was this unconstrained demand for housing. It would certainly fit in with the regional housing needs allocation, but once we got to the actual modeling for the greenhouse gases, that might actually be constrained by limitations on development, whether they were practical economic limitations, local planning limitations, etc. A pretty active discussion, a variety of people thought perhaps that wasn't the case, that we should really be planning using that bigger number. Groups of advocates particularly took that position.

That's all I have for you and I'd be happy to answer any questions.

Jim:

Are there any questions? It's just kind of an information item to give us kind of an overview.

- M: Well how much, especially on the employment part – are you still collecting a lot of data from community development directors throughout the 101 cities?
- Paul: Typically we collect information on housing permits from local jurisdictions. The employment stuff is a little bit more difficult because I have to tell you it's the biggest problem of defining what employment is. If you look at local business permits they're telling you how many people can be in a place of business. Generally when we're looking for something, according to a census definition, because that fits better with the modeling for transportation, it's where people are actually working. So the fact that there's a construction company in your local community, but everybody is working at a job site across the Bay, what we care about is where those folks are actually working.
- M: What I'm getting to is this – is that in the forecasting as to how many people are going to be employed over the next "x" amount of years, some of that data still comes I think from general plans?
- Paul: Sure, potential – that's right.
- M: I'm just speaking for my own city here, he's no longer with us, but maybe a truth serum needs to go into some of these people as to what's actually going to be realistically done. And I say that because I think there's a lot of pressure in certain cities of economic development people wanting to tell their "councilmembers" as well as their City Manager that we're going to be getting all kinds of growth coming in here in terms of employment. I'm just saying whether it's Fremont, Union City, Newark, Hayward, San Leandro (the 5 down my way) and I'm sure that there's other segments where that would come into place also, is that a lot of that has to be taken with many grains of salt.
- Paul: Sure
- M: As to again how much is really going to be taking place there and how much is wished for.
- Paul: I think that's a good point. I think typically we're looking at what's in plans, what potentially could be in land use. I think the wishful thinking is not only a problem among local government, but certainly in private business as well from time to time. So you do have to take it with a grain of salt – I'd agree.
- Susan: In looking at your definition of senior head of household houses it seems that as we're planning for our housing needs we have a bit of a disconnect between what type of housing seniors are going to need. There's a lot of seniors that are trying to migrate from their larger homes into something that's more manageable and that could even include assisted living facilities, yet we still have challenges in being able to count for the development of those kinds of programs that will still house those

members of our community in a way that helps them and frees up housing stock for new families coming in. I think I would like to start having a bigger discussion on how we address a full range of housing needs - not just the single units or the townhouses or family houses with the picket fence in front – to really be able to meet the needs of our community based on what our community's population is.

Paul: I think you make a good point. At the Advisory Working Group someone made sort of a parallel point about people with disabilities and the need to plan for – as people age probably the percentage of people with disabilities might have some increase, but in the more general sense people with disabilities. I think that will be part of the broader regional housing needs allocation discussion which I think will start happening in the next couple of months.

Jim: Tom Bates, did you want to comment?

Tom: I did, thank you. I find this really fascinating and obviously we're crystal balling into the future and a lot of questions are to be answered. The one thing I'm interested in is we see our economy challenging from a post industrial to basically a service economy and with the high cost of living in the Bay Area it seems like manufacturing and things of that nature are not going to locate here – they're going to go where it's cheaper and where they have a workforce that isn't costing as much as here. So I'm wondering in terms of – I'm pessimistic about the job increases in the future, in fact I think we're going to see further decline. I would be one of those people that thing we're going to see less work. And also just because of the technology that we have. I mean people now have companies that are located in four and five different countries as they bring together materials. What we've seen in the past is not going to be in the future. And so I think that we need to project that.

The other thing I'm wondering about is with the utilization of the existing housing stock I'm of the impression, and maybe I'm totally off about this, that our existing housing stock is really substantially underutilized. And by that I mean we have people with three bedroom houses that are now empty nesters and the kids have left and that stock is there, but it could be used to a much greater extent than trying to build new. So that has a lot to do with land use and local government allowing for people to have more parking and more intensely used existing stock. So I'm wondering if you've analyzed that.

And the other thing is I don't agree with the idea that seniors are going to leave their homes and move to a smaller venue, even though it's more comfortable to do so, because most of them – those that certainly have the Prop 13 benefits, it makes no sense for them to move. They've got these benefits and they downsize they get a new assessed evaluation and they're worse off. So they're sitting there basically in an overbuilt situation. A lot of questions. The first is moving towards a service economy rather than an industrial economy. Better utilizing our existing

housing stock rather than thinking we necessarily have to build more. And then the general issue of those two.

Paul: Not to take too long with them – I certainly agree with you that it's a movement towards the service economy and less in the manufacturing vein. Certainly there are manufacturing jobs, but big manufacturing floors in the Bay Area seem something that we're unlikely to see in the future – much more the service economy. There are industrial companies certainly in the Bay Area – Chevron - and some of the industrial facilities that are existing in the Bay Area will certainly continue. I think however that when we compare the job growth we're talking about, by any measure, whether it's the higher number that I was estimating or a lower number some others were estimating, there's much lower job growth in the sort of 1-2% range than we saw in the 60's and the 70's. I don't know that I understand a sort of sustainable Bay Area where there's no job growth. I find that a little difficult to get my head around. But you make a variety of valid points about the changes that we see in the economy, particularly the increases in productivity, but those are things that we've dealt with time and memorial. Part of what goes on in increasing people's incomes, in providing more jobs, is that sort of innovation. Most people point to that as the reason why the Bay Area economy is likely to outperform the state or the national economy because of the industrial mix that we have, because of the innovation that's out there. And every time you have that sort of synergy there's jobs that are lost, but change occurs and some additional jobs take that place. Some of the things you point out about the demographics are certainly policies we need to look into more. There does seem to be a mix of things going on where there's some argument to made that seniors are moving to more urban areas, smaller places, although that doesn't seem to be necessarily the predominant trend. But perhaps part of the issue here for this region and others is are there policies out there that can change the use of the existing housing stock and they, I don't know have different family groupings? Can they somehow subdivide those suburban places and live in a smaller portion of the home that they own? All those are things that could be looked into but I'm afraid we don't have that done yet.

Tom: Could I just add just one quick thing. The other thing that's happening in this recession is it seems to be going on a lot longer than anybody had hoped for, and it may be years before we actually pull out of this, and as a consequence people are not only – they're coming back to their homes. Family formations now, we see two and three generations living together and this is almost unheard of. In the past it used to be that way and then everybody got their own homes and parents went off – when they got older they went to retirement facilities. Now they're all coming back together again.

Paul: Absolutely, and this idea of household formation or headship rates is profoundly affected by the short term economic trends. I think when we're talking about 20 or 35 years though, if we're talking about even moderate growth that we're talking about in employment, it seems to make more

sense not to just assume that everyone's kid is going to live with them forever – I hope!

Tom: (Tom Azumbrado – HUD rep) Actually I find it interesting in terms of the increase of elderly populations and head of households and also how job growth actually hasn't been as wide as we assumed because of increased productivity – I think there's issues with unreported income in our economy that aren't showing up and what I would be interested in knowing is as we retire how many in the Bay Area have no mortgages? Nationwide it's about 25% so as our senior population, will we retire in a perceived relatively affluent way so that we do move to the city? Or are we actually forced to take other actions and I suspect we're going to be forced to take other actions. And as Mayor Bates talks about, most of us aren't moving to San Francisco where it costs \$500 a square foot and where it's being sold for \$800 a square foot. We are staying in an oversized house because of Proposition 13 and because most seniors don't want to move more than a 5 mile radius of where they've been for most of their life. And we're going to have increased healthcare demands and so what's going to be interesting as we age is are we going to be a contributing part based on our economics that we bring into retirement age or are we going to be a burden on society. And I suspect, because of this recession, we're going to see more that we're a burden and at times we are going to actually be looking a seniors moving to Phoenix where you can still buy a house for \$100,000. So I think there's going to be some dynamics there with some of the population movements.

Paul: I think the point you make that most people are going to stay near where their existing home is is what's typically in the data. There are other trends going on certainly. You do make a variety of good points. I don't know about unreported income because it's unreported, but one of the challenges in trying to get unemployment data is to not only look at the typical wage and salary data, but the self employed which seems to be a growing trend as you see more contract workers, as you see changes in the way people structure their employment and multiple jobs is part of what's going on. So as we try to talk about these things there are different data series that might give you somewhat different conclusions about the employment. But I think generally what we're saying here is what we're going to be believing down the road.

Jim: Okay, thank you Paul. Lisa? Lisa Klein is going to give us Performance Targets and Indicators.

Lisa: Good morning. I'm Lisa Klein from MTC's planning section. I'm joined this morning by Marisa Raya from ABAG. We wanted to provide you an update on the work that's underway to define what's really a set of complimentary performance targets and indicators, complimentary to the material you've been covering this morning and these of course are for the SCS as well. Our goal is to come back to you before the end of the year with a set of voluntary performance targets for adoption. Today we wanted to get some initial feedback from you on our general approach and

also to understand if we are missing any major areas of interest in the goals and targets that are currently under consideration.

Our existing plans Transportation 2035 and Projections 2009 are both performance based plans. That was a bit of a change from our past practice, but it's something we think worked quite well and it's something we think is worth continuing. When we talk about a performance based approach we really mean three things. First we're talking about defining what we wish to achieve through a set of specific performance objectives. For example, to reduce greenhouse gas emissions by 15% by 2035. We're also talking about giving ourselves tools to analyze the effectiveness of transportation and land use policies as we go through the planning process over the next couple of years and finally we're talking about providing ourselves yardsticks by which we can monitor the actual results over time.

This is a schematic that represents our current approach in the Transportation 2035 plan. I won't dwell on it in the interest of time, but I do want to point out a few key features. First you'll see we framed our approach with the three E's of Sustainability – Economy, Environment and Equity. The second thing is that we defined a specific set of performance objectives or targets that define where we want to be and again these were largely voluntary objectives. I want to stress that. For example, decrease per capita delay by 20%, or decrease the share of income spent by low income households on housing and transportation. We then did a set of scenario assessments where we really looked at – and this is some of what you were talking about this morning I think – what it would take to reach those targets. And what we found is that the policy direction it pointed us in is that land use policies and as well transportation pricing policies are some of the most effective levers we have to achieve those targets.

Now our current approach we think worked well, but we also see some refinements likely for the SCS. We still think it's worthwhile to retain the 3 E's framework. We'd like to retain a set of targets that define what we want to achieve and we plan to retain the scenario assessment that tells us whether we can get there at all, in fact, and if so what it takes?

The new feature here is that we think that it's worthwhile to include a second set of performance measures – these would be performance indicators – and this is really where we capture some of the things we can't get out through our transportation models, the things we can't forecast and also where we really do track our actual results. And so an example here is school access and quality.

So the most immediate task is to determine the set of voluntary transportation and land use targets. These are targets the regional agencies would set and could adjust really at any time along the way and therefore differ a bit from the targets that you've discussed this morning, the greenhouse gas and regional housing targets. Because you talked

about them extensively this morning I'm not going to talk about those 2 targets now and I'll really focus on the voluntary targets. We think there are really three useful points to keep in mind as we approach this effort to define the voluntary targets. One is there is quite a lot of good work, not only in the regional plans, but also in local plans and policies, so we'd really like to build on that. Second, we do think that we can make some refinements and substitutions to our existing goals and targets, but one thing that really did work well is keeping that set of targets relatively small. And finally the targets that we're looking at should be useful for the purpose for which we plan to use them, that is we think they should be things that we can forecast. They should address areas where the regional agencies and local governments have influence and we think they should be easy to understand.

With that I'd like to spend just a few minutes walking through, at a pretty general level, a set of performance targets that are currently under consideration and our staff is in the process now of reviewing these with local government representatives, members of the ABAG Regional Planning Committee and members of MTC's Policy Advisory Council as well. The asterisks on these slides mean that these are performance targets that we have included in our current Transportation 2035 and Projection 2009 plans.

So we are looking at performance measures that address clean air and the area we think deserves some focus here is fine particulate matter emissions. In fact the Bay Area is a federal non-attainment area for particulate matter emissions and so we do have, you might say, in a sense a statutory target to reduce those emissions to show conformity with those federal requirements. We're also looking at targets that address land preservation. We're looking at a variety of ways to get at the notion of healthy and safe communities. Those would reduce reduction of motor vehicle collisions which is a target in our current plans, ways to increase active transportation, or perhaps as an alternative ways to reduce driving.

We are looking at potential measures of economic health. Here one possible category addresses affordability which I think captures some of the interest that we heard this morning on the notions of what do these pricing measures really mean. So that's one area to get at that. Looking here at targets that would address maintenance of the system. Also looking at measures that could address increased system productivity or efficiency and we do have an existing measure in this category. We also will be looking at measures in this category potentially that look at broader impacts on the economy such as, to the extent we can do it, impacts on gross regional product for example.

And finally we're looking at potential targets for the category of equitable access and there are many, many ways you can slice and dice this, but really this is to get at the time or distance – the number of opportunities that you have by time or distance and you can look at this by income levels if you wish.

Let me now turn it over to Marisa to talk briefly about the indicators and then I'll close with a brief review of our schedule.

Marisa: Thanks Lisa and good morning, I'm Marisa Raya from the Association of Bay Area Governments. I'm just going to spend a couple of minutes giving a little bit more context about the performance measure indicators. As Lisa described they are a separate but related set of performance measures to the targets whereas the target will be a number forecasted through the land use and transportation models, like reduce particulate matter by "x%" over the next 30 years. The indicators are a snapshot of our current data and would be displayed in the form of a map, kind of like the posters on the wall. They would be done with each SCS and used to monitor performance. The interesting and challenging thing about selecting indicators is that we'd like to use them to respond to requests from our Regional Advisory Working Group at their first meeting which was for staff to develop an SCS co-benefits framework that helps to define the relationship between the regional transportation and land use pattern and the quality of life and resource conservation factors that matter to local constituents. So that was one of the main purposes that we originally proposed a set of indicators alongside the targets and it's something we're looking for more input on how to define.

To give you an example, some of the current indicators we're thinking about tracking, the first three – transportation availability, housing affordability and choices in jobs access and wages are pretty clearly tied to some of our statutory SCS targets. The bottom five – school access and quality, access to parks and protected land, public safety such as property crime or violent crime, public health and water supply – are more kind of neighborhood level concerns that are significantly impacted or have a significant impact on the regional land use pattern or regional transportation investments. And so the process of going through indicators should help us build a little bit more consensus and clarity on what that connection is and help us start to think about implementation.

Finally, we are building on a lot of current information in order to develop the indicators. The first thing listed is ABAG's Priority Development Area Assessment. That's work that we've done with local staff to frame what's a complete community and how does that relate to sustainable growth? MTC's snapshot analysis – a number of primarily transportation equity related indicators that have already been adopted by MTC as part of the last regional transportation plan. And third the California Regional Progress Report, a state document that is used to compare how the Bay Area is performing compared to other regions. Also we are listening for suggestions as they emerge during the SCS process and we're certainly getting a lot of them as people struggle to relate what the SCS is to their local concern.

Lisa: Let me just briefly summarize for you our schedule here. We're working as I mentioned with a variety of partner agencies and other stakeholders

to develop a recommendation that we hope to bring back to you in November for adoption. That's the same timeline for the housing target as well. We then would begin – we would develop the scenarios that we'd use these targets to assess as well, sort of toward the end of the year and begin that analysis early next year. And sort of on a parallel track we'd begin to develop a recommendation for the indicators and bring those to you in April of next year. And with that we'll close and be happy to take your questions.

Jim: I'm going to take the public comments first and then committee members. Scott (?) with the Bay Area Council.

Scott: Thank you very much for having me here today. I'd like to first comment on the targets and indicator process. I think the idea generally speaking is really good. The targets that are measurable is very strong. The indicators to follow-up is very strong. What we're finding as we're intimately involved in this process is the devil is in the details as usual and what we need to do is we need to make sure that we've got a comprehensive approach here. As we're going through some of the ad hoc groups, as we're doing this ROG we see changes each time. I'll go into some examples, but we have sometimes a focus on goals. Another time a focus on targets. We've heard that we want to have a minimum number of effective targets, but as I'm going through and other people are going through this process it seems that there's a bit of confusion. There's not a straightforward path for everybody to follow. So I wanted to bring that kind of broad issue to the table at least. Once we get into the details that's really where it's starting to get to some areas that we need to work on I think. I've got two examples. We started yesterday – and I know this is a work in progress so the idea is to get to a point where we're on the same page – but yesterday there was a few different categories and one of them, for example climate protection, we've got a big thing here, and I mentioned this yesterday, that says discussion complete. So this is one area of say 6 or 7 that we've briefly talked about for 30 minutes, 45 minutes and what it seems from our standpoint is that it's done and we're not really sure what to make of this quite yet. There's an issue on here for example on should VMT be included, or should we follow the SB375 GHG emissions targets, is that inclusive? We have a slight feeling that it might be swept under the table, or it might be moved to a different area. So something I wanted to bring to the broader group – it's a major issue, but it just seems like it's not being quite dealt with in the best manner, or the most comprehensive manner.

Second section which we have not gotten to yet, but the economic health. Of course the Bay Area Council being the business side of things, this is our major issue. This is our major kind of area of focus. When we look at some of the indicators that are being proposed for economic health they're not quite there again. I do appreciate that there might be some sort of Bay Area index that you're talking about Lisa, but it's not on any of our material and the materials change each time. It's not quite there yet. That's kind of my broader piece.

We have a few proposals again for the economic piece. One of them is maximizing the total regional property tax. So we're going to go through this process of different scenarios – how do we figure out economically what's better? Maybe it's looking at maximizing the regional property tax. The other one is an economic index, that's what we would propose right off the bat. Again we understand that this is part of the process, but we want to be heard early and we want you to be aware of our concerns.

Jim: Paul?

Paul: Thank you Supervisor Sperring and Commissioners and others. My name is Paul Campos. I'm with the Building Industry Association of the Bay Area. First I'd like to echo Scott's comments. I've also been serving on both the ROG and the ad hoc committee on the performance targets and I've been a little troubled by the process in terms of I get a real impression that there's sort of a pathway that some of the staff want to go and these targets are being driven in that direction and it's not really input coming from the stakeholder groups. At the last ROG meeting, and the meeting before I went back and looked at the notes and there were extensive comments from a wide variety of stakeholders including Carl Anthony at Urban Habitat and others of the importance of soliciting the views of employers and the private sector in this process. Bay Area Council and BIA have been so far the private sector voices, but it's been almost like pulling teeth to actually get the economy "E" even up to the level of the other two "E's." If one looks at the economic performance targets that are being proposed they really have no direct nexus to actually what we would think about economic health or jobs. And that brings me to my next point that again not only do we think it's good policy to start planning and trying to promote jobs – all of the presentations we've heard so far are about dismal job creation prospects in the Bay Area. It almost seems as if folks are resigned to that and I'd like to suggest that we not be resigned to that and we try to craft policies that promote jobs in the Bay Area. With respect to the economy we have economic health, we've suggested other sort of diluted measures and I'd like to go read directly from federal law, the federal regulations governing this entire process with respect to what the economic goals need to be and be considered. It says specifically "the Metropolitan Transportation Planning process shall provide for consideration and implementation of projects, strategies and services that will address the following factors: 1) support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity and efficiency." So I think right there we have our economic goal straight from the federal code of regulations and we ought to focus on that and pick one or two true economic performance targets that will help inform us as to whether we're meeting that. Thank you.

Jim: Thank you Paul. Okay, I want to bring it back to the committee members. This is an item that staff is seeking comments on the preliminary approach. Are there comments?

Susan: I had some of the similar thoughts when I was looking at what was being chosen and there's a lot that's not chosen on this list. In our county we've put up for the public to look at a dashboard that has a whole array of different indicators that shows how well we're doing and some of them are identified here, but there's a lot more of them on there as well. I think when I'm looking at the Three E's, the job access means you can get to your jobs and what your wages are, but I also had concerns that if we really want to address the economic vitality of the community we need to be tracking the number of jobs from small to large, what types of wages are being paid, the number of employees with the different jobs. I think there are other targets and indicators that we can perhaps look at. One of the other issues that's not on here – you have water supply, but you don't have the built infrastructure. We have failing sewer systems and water pipes and roadways in our local communities that have not been being addressed. And as we're looking at trying to create higher density housing and incorporating more vibrant, sustainable communities those are also issues that will be indicators of whether or not we have a healthy, vibrant built environment.

M: Good point.

Susan: Finally, I didn't understand and I think I might understand what active transportation means. When you say active transportation I think you're meaning walking and biking, but not everybody will know what that means so you might want to make that really simply clear.

J: Other comments. Yes, Mark?

Mark: One would be I agree that somewhere in this process - I thought about that myself last week and this whole way we're going to be getting people at the table, besides just the elected officials. I know that the Bay Area Council and BIA were mentioned here and certainly they shouldn't be excluded, but let's face it, that's a small segment of people on the private side that we need to be getting involved on this, again sooner rather than later because we all know that we're going to be needing that side of the aisle to help us get there if we're talking about really being sustainable. So I guess the question I just have to throw out to all the staff members here to contemplate on, as well as the other elected officials is how and when do we start engaging other members on the private sector, as well as the non profit sector for that matter, into this process in terms of what does really sustainability mean which then gets me into sort of what Susan was talking about – again, we're at a planning organization and a transportation organization today, but looking at the parks part that was up there – park preservation and land preservation – some of what Tom was talking about. He thinks that the homes need to be better utilized, the existing stock. From my standpoint, the existing land, and I'm talking about residential land, needs to be better utilized in terms of food production and everything else. There are so many areas, community gardens – you just take a swath from San Leandro all around the inner bay at least to San Mateo and maybe even farther north, but at least in that southern arc. I know that the northern county is already doing a great

job, but that southern arc of the bay in it's original state, it makes the great valley look like a back yard in terms of agriculture production. We had great stuff all the way around this southern ring of the Bay Area – Santa Clara County is a great home of orchards. The southern part of Alameda County for all kinds of crops, San Mateo County – if you're really looking at keeping an area sustainable we need to be finding a way to get a better mini agricultural production out of our own areas. It cuts down on traffic. It cuts down on greenhouse gas emissions, water consumption, water hauling, on and on and on. Again, I know we're in a planning and transportation building here, but somewhere along the line of sustainability I think we need to be blending that in. I'm not sure again where that comes from, but to me if you're really looking at sustainability, and that ties in with water also, that water, food production and utilization needs to be thrown in here somewhere.

Jim: Julie, I assumed that comment would spur some interest from you.

Julie: Yeah, and I think Susan touched on it, but we have very lofty goals here and we need to plan for the future and nowhere have we figured out how we're going to afford to replace the infrastructure that's going to have to be completely replaced to densify and change the pattern of our growth. We have a prime example of it unfortunately last night in San Bruno. We have what apparently is a 62 year old pipe that burst for whatever reason and that's pretty old. And we have that in every one of our communities. We have sewers that are aging that don't have capacity. If Oakland and San Francisco are going to take on the kind of growth that they're committed to there's no way in the world that they can handle that densification with the existing infrastructure and nowhere are we addressing here that pot of money that's going to be required to get there. So it's kind of an elephant in the room. We have lofty goals, but I haven't got a clue how we're going to afford it. We can't afford what we're doing now much less all that's going to have to go in to replace our aging infrastructure.

Jim: Other comments?

Julie: I had one of these meetings and about 60 people came in the community – not for this, but for generally sustainability – and what's really clear out of it is we're too high up. We're too theoretical. People really want to get down to the level of what do I do on my street? What do I do in my house? What do I do in my business? I wouldn't even go out with something like this. We may understand it because we've been doing this for years, but I think we need to get very concrete and if we're going to go to businesses past the normal business people, who this isn't their world, I think we have to have both the high theoretical along with the very practical so they know what they're deciding.

Mark: I just want to agree with having some sort of measures that actually measure our infrastructure. What is the condition of our sewer systems? What is the condition of our roads? And all those things that we ultimately have to pay for. And if I could allude back to the housing projections, I

think what we've talked about is an unconstrained model that we've just totally ignored whether the infrastructure is there to support this projected population and I think the ultimate answer is if it's not there they will leave. There is a road that leaves outside of California to Arizona and other places and I think that's the more realistic scenario if we don't have a plan for how we're going to support that infrastructure.

F: I just wanted to pick up on that. I think one of the things that would be helpful in addition to having our goals and targets is to really start right now this discussion of both what are the barriers to achieving those targets and second of all what are we going to do? I am really troubled by the statistics here on the housing projections in that clearly our goals of providing affordable housing in that mix is a high value in play, but being involved in that process right now at the local level I understand that the local jurisdictions are wanting to put together these projects, but the availability of funding to do them is absent. A piece we may want to look at is how we need to look at federal policies, like for example tax credit caps, that are going to be used to fund these projects. How federal legislation can impact our ability to achieve local goals too? So that might be another piece that we look at in terms of achieving the targets.

Jim: Other comments? Sam?

Sam: With regards to the indicators that are under consideration, I understand we're a ways off from deciding what they ought to be, but I just wanted to offer one suggestion. I see that housing costs as a percent of household income is included. I think including transportation costs as a percent of household income would also be a really critical determinant both in terms of equity and our transportation environmental goals. Certainly a lot of work that Urban Institute and other groups are doing around the country are indicating that transportation costs are a significant component in deciding what is and is not affordable housing and location decisions really are critical in all that. I think including that would be important.

Jim: Lisa, I was going to ask Steve but in fact he's left – I think there needs to be some refinement as the information comes to this committee. I think that some of these advisory groups or special interest groups, really their input is kind of being filtered as it comes to us and I think there needs to be a much better way for our staff to present it. As some of the stuff that I've read from BIA and some of the other various organizations, they're raising some very good points at a detailed level that I think this committee should be made aware of. So I would like staff to look at a better way to present that information without it being so filtered. So if you could, there has to be some format or some form that you can bring that forward to us. **And another thing for me, as we talk about economic health and the economy, there really is – there's going to have to be a reconciliation between the actions we're taking and the results that we're getting. As we adopt these higher thresholds, and Julie was touching on it, there's a tremendous cost and when you start implementing these transportation measures it really does impact lower income and**

disadvantaged families in a much bigger way than any other segment of our population, but yet we seem to continue to ignore that. We say let's adopt these thresholds, but yet we really don't address that need. I just saw a survey that the number one purpose of people as they're coming out of poverty is an automobile. That's the number one purchase and we seem to totally ignore that. We seem to think that as these people come out of poverty they're not going to do that, but they are and so we can't continue to ignore that. And the other part of it is is that if we're going to put jobs/housing balance, lower income families and disadvantage there has to be at least some discussion of them moving out of the neighborhood they're in, but it seems like many of the organizations want to just trap them there and put all these restrictions on that neighborhood that you really will never improve that neighborhood and they'll never, ever experience economic prosperity. It just isn't going to happen. And those policies have failed over the last 30 years. And so at some point there needs to be a reconciliation of the policies that we're adopting and the impact it has on this segment of our society because it's tremendous and it seems like we all continue to ignore it and say let's adopt these higher thresholds policies and everything, but it's having a tremendous impact on that group of citizens that are in the Bay Area. So I think there has to be some honest discussion about that and to me it just seems to be glossed over because I don't see any indicators here that makes it better for – and really starting to impact middle income families, not only low impact families. The numbers that I'm seeing it's between \$4,500 and \$7,000 a household if many of these measures are implemented and that's a tremendous impact.

The final comment I have to say is that when you look at the best results we have to cleaning up the air and cleaning up the environment has been this downturn in the economy and when this economy gets robust and gets going many of these challenges are going to be much greater than is being laid out in this strategy and so I think there needs to be some consideration of how we balance that. With that said, was there any other committee members comments?

Pam: I would also say we also need to look at the cost of not doing them and compare that because I think there are bigger issues out there that are going to cost us a lot more money in the long run if we're not looking at the long term.

Jim: Pam, to me I don't think not doing them is an option at all. It's at what threshold we're doing them. **When our staff sits there and tells us that 15% is not achievable, but yet we all sit around in a room and say we'll let's adopt it, there's a disconnection.** And then when they say what it's going to take to get to the 15%... So I think that these realistic measures, I just think there needs to be some discussion about that. Your point is well taken, but you're not hearing from me saying don't set targets. I'm saying let's set realistic targets that are

achievable that we can build on that is equitable too. And I don't see that happening.

Pam: I just ask for some additional information to compare.

M: I just wanted to add on to something you said because I think you made some very important points. At the Air District's, the Climate Officers Association Conference last week, the Climate Change Conference, Carl Anthony spoke and Carl is one of the founders of Urban Habitat and spoke exactly to this point that **when we look at how we implement policies with regard to climate change we think through how that affects lower income communities here in the Bay Area. I don't think we have done enough of that. I think we do need to incorporate or think about that more. It doesn't mean we're not implementing things. It's more how we're implementing them. I think that's the equity portion that hasn't been represented as much.**

Jim: This has been a very good discussion. Lisa, did you get enough direction? Okay.

David: This is exceedingly quick. I wanted to make an observation about comments that we heard from this side of the table speaking out the need to think comprehensively about infrastructure. In fact what you heard was a call for regional governance – shocking, but you actually heard it here, coming from East County. Now, hey, that says something and the fact that this institution is siloed to be dealing with transportation here, land use here, air over here, water over here means that those things don't get dealt with adequately with the existing structure of governance here. Just wanted to make that point, thank you.

Jim: Thank you, David. I want to thank everyone for attending and with that this meeting is adjourned.

TRANSPORTATION 2035 PLAN

**FINAL
ENVIRONMENTAL
IMPACT REPORT**

STATE CLEARINGHOUSE NO. 2008022101

Prepared for

Metropolitan Transportation Commission

by

DYETT & BHATIA
Urban and Regional Planners

In association with

Environmental Science Associates • Environmental Consultants

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FINDINGS REGARDING ALTERNATIVES

INTRODUCTION

CEQA requires an EIR to consider a reasonable range of alternatives to a proposed project or to the location of the proposed project which would “feasibly attain most the basic objectives of the project” (CEQA Guidelines, Section 15126.6(a)). Section 15126.6, subdivision (f) of the CEQA Guidelines limits the alternatives that must be considered in the EIR to those “that would avoid or substantially lessen any of the significant effects of the project.”

Where a lead agency has determined that, even after the adoption of all feasible mitigation measures, a Project as proposed will still cause one or more significant adverse environmental effects that cannot be substantially lessened or avoided, the agency, prior to approving the Project as mitigated, must first determine whether, with respect to such impacts, there remain any Project alternatives that are both environmentally superior and feasible within the meaning of CEQA.

Based on the analysis in the EIR, the project as proposed is expected to result in significant and unavoidable impacts. The alternatives to the project were designed to avoid or reduce these significant and unavoidable impacts and to further reduce impacts that are found to be less than significant following mitigation. MTC has reviewed the significant impacts associated with a reasonable range of alternatives as compared with the project as originally proposed, and in evaluating the alternatives has also considered each alternative’s feasibility, taking into account economic, environmental, social, legal, and other factors.

This Section describes the project objectives and attributes of the alternatives and provides the Commission’s reasons for rejecting the alternatives. (See also Appendix B of this document: Statement of Overriding Considerations in Appendix B.)

GOALS AND OBJECTIVES OF THE PROJECT

MTC hereby finds that the following goals and objectives were established by MTC for the Transportation 2035 Plan:

Approved Performance Objectives

	Goal	Performance Objectives
Economy	Maintenance & Safety	<p><i>Maintenance</i></p> <ul style="list-style-type: none"> • Maintain local road pavement condition index (PCI) of 75 or greater for local streets and roads • State highway distressed pavement condition lane-miles not to exceed 10% of total system • Achieve an average age for all transit asset types that is no more than 50% of their useful life • Increase the average number of miles between service calls for transit service in the region to 8,000 miles <p><i>Collisions/Fatalities</i></p> <ul style="list-style-type: none"> • Reduce fatalities from motor-vehicle collisions by 15 percent from today by 2035 • Reduce bicycle and pedestrian fatalities attributed to motor vehicle collisions by 25 percent each from 2000 by 2035 • Reduce bicycle and pedestrian injuries attributed to motor vehicle collisions by 25 percent each from 2000 by 2035
	Reliability; Efficient Freight Travel; Security & Emergency Management	<ul style="list-style-type: none"> • Reduce per-capita delay by 20 percent from today by 2035
Environment	Clean Air; Climate Protection	<ul style="list-style-type: none"> • Reduce daily per-capita vehicle miles traveled (VMT) by 10 percent from today by 2035 • Reduce emissions of finer particulates (PM_{2.5}) by 10 percent from today by 2035 • Reduce emissions of coarse particulates (PM₁₀) by 45 percent from today by 2035 • Reduce carbon dioxide (CO₂) emissions to 40 percent below 1990 levels by 2035
Equity	Equitable Access; Livable Communities	<ul style="list-style-type: none"> • Decrease by 10 percent the combined share of low-income and lower-middle income residents' household income consumed by transportation and housing

The components of the Transportation 2035 Plan are designed to fully achieve the project objectives. The Plan is divided into the financially constrained element and the financially-unconstrained element. With this comprehensive set of projects, the Plan meets the project objectives better than any of the other alternatives.

ALTERNATIVES SUMMARIZED

The Transportation 2035 Plan EIR considers four alternatives to the proposed Transportation 2035 Plan in addition to the CEQA-required analysis of a No Project alternative. A full descrip-

tion of the alternatives and alternative selection process is in Chapter 3.1 of the DEIR. The alternatives are as follows:

Alternative 1: No Project

The No Project alternative addresses the effect of not implementing the Transportation 2035 Plan. This alternative includes a set of transportation projects and programs that are in advanced planning stages and slated to go forward since they have full funding commitments. (Therefore, the No Project alternative is not equivalent to existing conditions.) These projects are: (1) identified in the federally required Fiscal Year 2009 Transportation Improvement Program, a four-year funding program of Bay Area projects and programs, (2) not yet in the TIP but are fully funded sales tax projects authorized by voters in seven Bay Area counties, including San Francisco, Santa Clara, San Mateo, Alameda, Contra Costa, Sonoma and Marin, or (3) not yet in the TIP but fully funded through other committed funds as defined by statute or Commission policy. This alternative does not include transportation projects and programs funded by the \$32 billion in uncommitted discretionary funds.

Alternative 2: Heavy Maintenance/Climate Protection Emphasis

This alternative is financially constrained to the \$220 billion projected revenue available to the region over the next 25-years. Unlike the proposed Project, this Heavy Maintenance/Climate Protection alternative places its investment emphasis almost entirely on system maintenance and efficiency projects that support the plan goals.

This alternative maximizes the use of available discretionary funds for investments that (1) reduce shortfalls for transit and local roadway maintenance; (2) improve walkability, bicycling, transit access, and carpooling and ridesharing; (3) help local jurisdictions to plan and build housing near transit; and (4) implement public education and outreach programs to raise awareness and facilitate behavior changes that help the region to meet its climate protection goal. The set of projects and programs in this alternative is designed to reduce vehicle miles traveled and/or greenhouse gas emissions.

This alternative retains the plan expenditures for the \$194 billion in committed funds because these funds are committed to specific uses by statute or Commission policy, but redirects uncommitted discretionary revenues. Because this alternative focuses on system maintenance and efficiency, it excludes all expansion, including the Regional HOT Network and the transit and roadway expansion projects that in the proposed Project are funded in part by the \$32 billion discretionary funds. As a result of the exclusion of the Regional HOT Network, the \$6.1 billion in net revenue that the Regional HOT Network would generate is not available to fund corridor improvements (such as transit operating and capital needs, freeway operations, interchanges, roadway maintenance and local access improvements). This leaves \$26 billion in uncommitted discretionary funds that are redirected to other maintenance and climate protection priorities.

Alternative 3: Heavy Maintenance/Climate Protection Emphasis + Pricing

This alternative reflects the same project definition as Alternative 2 (Heavy Maintenance/Climate Protection Emphasis) plus it includes applying user-based pricing strategies in order to determine how pricing might influence the performance of infrastructure investments. The pricing strategies are intended to induce changes in travel behavior by increasing the cost of driving. They in-

clude: (a) carbon tax or tax on vehicle miles driven, (b) congestion fee for using congested freeways during peak periods, and (c) increased parking charges.

To represent the carbon tax or VMT tax, gas prices are assumed to increase by 21 percent from \$7.47 per gallon to \$9.07 in 2035 (all in 2008 current dollars). Overall, the total auto operating cost per mile would also increase by 21 percent, from 39 cents per mile to 47 cents per mile. For the congestion fee, a charge of 25-cents per mile on congested freeways is added to freeway segments where the volume-to-capacity ratio exceeds 0.90 (very congested facilities). For the parking charge, parking costs are increased by \$1.00 per hour to both peak and off-peak trips. This impacts both work and non-work trips, and has a higher impact on short trips than long trips. So, these increased parking costs will end up showing more non-motorized (bicycling and walking) trips in the pricing tests. The aggregate effect of these pricing strategies is a substantial increase in auto operating cost. This alternative aims to encourage more people to bike, walk and take transit, drive less, and produce less transportation-related greenhouse gas emissions by making it very expensive to drive.

MTC tested these pricing strategies as part of the vision scenario analysis in fall 2007 in response to expressed interest by the State legislators to pursue a carbon tax, VMT tax or congestion pricing and public interest to increase parking charges. These pricing strategies were tested under this alternative for CEQA evaluation purposes. At this time, MTC has no legislative authority to implement the pricing strategies described in this alternative.

Alternative 4: Heavy Maintenance/Climate Protection Emphasis + Land Use

This alternative reflects the same project definition as Alternative 2 (Heavy Maintenance/Climate Protection Emphasis) plus it includes an alternative land use forecast in order to determine how a different kind of regional growth might influence the performance of infrastructure investments. This alternative land use forecast is a policy forecast, as opposed to a purely market-driven outcome. ABAG staff produced this alternative land use forecast with the objective of balancing jobs and housing and targeting growth in existing communities and near transit. Compared to Projections 2007, this forecast reflects considerable shifts in regional growth away from the fringes and toward existing employment and housing centers, areas projected to have either household or employment growth, and areas with existing and/or planned transit. It also assumes fewer commuters from neighboring regions by accommodating 37,000 more households within the Bay Area. This alternative assumes no pricing strategy.

This alternative is expected to maximize transit use and reduce auto trips and vehicle miles traveled because the land use strategy places projected population growth near existing and planned transit services and employment centers. However, much of the land surrounding existing and planned transit stations may not be currently zoned for higher density residential and commercial uses. To encourage transit-oriented development, local land use policy will need to be modified to allow for higher densities than currently allowed and to revise parking regulations to support transit-oriented development.

This alternative assumes that the regional planning agencies of ABAG, the Bay Area Air Quality Management District (BAAQMD), the Bay Conservation and Development Commission (BCDC) and MTC will collaborate to promote and achieve more focused urban growth than estimated in Projections 2007, in part through existing and planned programs and improvements contemplated by this alternative. Specific policy approaches have not been selected, however,

some possible examples of regional policy approaches and implementation mechanisms to achieve the alternative land use forecast include increasing public awareness of the impacts of travel and location decisions, continuing to coordinate with local governments on land use decisions and parking policies and standards that impact transportation investments and vice versa, providing financial incentives to support Priority Development Areas (PDAs), and expanding the MTC Transit-Oriented Development Policy to include minimum employment densities and regional transit centers. The regional agencies must also work with local jurisdictions to modify the land use elements of their general plans, which is a key driver to implementing this land use strategy.

ENVIRONMENTAL IMPACTS OF ALTERNATIVES

MTC examined a reasonable range of alternatives to the Transportation 2035 Plan. This analysis is fully documented in the Draft EIR on the Transportation 2035 Plan. Based on this examination, MTC has determined that (1) there are tradeoffs in impacts associated with the various alternatives, (2) alternatives can have better environmental outcomes than the proposed Project relative to significance criteria and yet still have significant and unavoidable effects under those same criteria, (3) the alternatives may result in varying degrees of achieving the Transportation 2035 Plan goals, and (4) there are significant feasibility issues related to implementation of the Heavy Maintenance/Climate Protection Emphasis + Pricing Strategies alternative (the environmentally superior alternative).

Environmentally Superior Alternative

According to the analysis in the Draft EIR, the Heavy Maintenance/Climate Protection Emphasis + Pricing alternative and the Heavy Maintenance/Climate Protection + Land Use alternative perform better than the proposed Project overall, while the No Project and the Heavy Maintenance/Climate Protection Emphasis alternative perform comparably or slightly worse than the proposed Project (See Draft EIR, p. 3.1-38; see also *id.* at Table 3.1-16).

The Draft EIR concluded that both the No Project and Heavy Maintenance/Climate Protection Emphasis alternatives may result in more congestion than the proposed Project in those areas where necessary new capacity (auto or transit) is not provided. These two alternatives would also result in fewer jobs accessible by auto and transit. This effect would in turn result in these alternatives performing deficiently (in comparison to the proposed Project and the other alternatives) with respect to reducing vehicle miles traveled (VMT). The 1 percent increase in vehicle use under these alternatives would also result in greater air quality impacts. The No Project and Heavy Maintenance/Climate Protection Emphasis alternatives would also result in greater consumption of transportation energy and would not result in any improvement over the proposed Project with respect to climate change impacts. Finally, these two alternatives would produce greater Geology and Seismicity impacts, to the extent that seismic upgrades would not be carried out. The No Project and Heavy Maintenance/Climate Protection Emphasis alternatives would also result in greatest noise impacts.

In some impact categories, such as Land Use, Visual Resources and Cultural Resources, the No Project alternative performed better than the proposed Project and all three Heavy Maintenance/Climate Protection Emphasis alternatives.

Though both the Heavy Maintenance/Climate Protection Emphasis alternative + Land Use alternative and Heavy Maintenance/Climate Protection + Pricing alternative perform very well, this

CEQA analysis concludes that the Heavy Maintenance/Climate Protection Emphasis + Pricing alternative is the environmentally superior alternative, primarily because:

- It demonstrated less impact in several categories than the proposed Project and the other alternatives, including Energy and Climate Change;
- It has more potential flexibility to apply and adjust pricing controls to current needs;
- It can in theory be applied “immediately” and begin realizing environmental benefits sooner than land use change; and
- It has a stronger potential market influence on new “green” technologies than land use changes.

Impacts Relative to the Project’s Significant Impacts

While the Heavy Maintenance/Climate Protection Emphasis + Pricing Strategies Alternative was found to be environmentally superior to the proposed Project and the other alternatives evaluated, it and all of the other alternatives also have potentially significant impacts in one or more issue areas that cannot be mitigated. In particular, if held to the same level of scrutiny to which the proposed Project was held, all four alternatives are likely to result in eight of the nine same significant and unavoidable impacts found when evaluating the proposed Project. This is because a significant and unavoidable impact may still occur even if one alternative is incrementally better than another. A summary of the alternatives’ environmental performance relative to the proposed Project’s significant and unavoidable impacts is provided below:

- **Vehicle Miles Traveled at Level of Service F.** When comparing vehicle miles traveled at Level of Service F for all facility types, all four alternatives perform substantively worse than the proposed Project (anywhere from 14 to 69 percent more vehicle miles traveled at LOS F in 2035). These results suggest that all four alternatives would also have a significant and unavoidable impact on vehicle miles traveled at LOS F;
- **Construction-related Emissions of Criteria Pollutants.** When comparing construction-related emissions of criteria pollutants, it is estimated that each of the alternatives would result in fewer construction-related emissions because there are fewer projects to construct; however, there are no region-level estimates for construction-related emissions and the significant and unavoidable conclusion for the proposed Project is based less on the efficacy of mitigation measures than on the uncertainty of the specific local context at the time that projects go into construction. This same uncertainty would apply to all of the alternatives, suggesting that they too, could have significant unavoidable impacts related to construction emissions under certain local circumstances;
- **PM10 and PM2.5 Emissions.** When comparing PM10 and PM2.5 emissions, the Heavy Maintenance/Climate Protection Emphasis + Land Use Strategies Alternative and the Heavy Maintenance/Climate Protection Emphasis + Pricing Strategies Alternative result in slightly (less than 3 percent) less particulate matter emissions than the proposed Project while the No Project alternative and the Heavy Maintenance/Climate Protection Emphasis alternative result in slightly more particulate matter emissions than the proposed Project. However, all alternatives result in substantially more particulate matter emissions than under existing conditions. These results suggest that all four alternatives would also have a significant and unavoidable impact on particulate matter emissions;

- **Conversion of Prime and Important Farmland to Transportation Use.** When comparing the individually and cumulatively considerable conversion of farmland, including prime agricultural land designated by the State of California, to transportation use, each of the alternatives is estimated to convert substantially less Prime and Important farmland to transportation use relative to the proposed Project. However, as described in the Draft EIR, the methodology is conservative and designed to overestimate the potential for impact. Furthermore, of the Bay Area's 2.3 million acres of agricultural lands, the potential impact of the proposed Project (about 1,400 acres) represents 6 one-hundredths of a percent of all agricultural lands in the Bay Area, while the potential impact of each alternative (between 260 and 300 acres) represents one one-hundredth of a percent of all agricultural lands in the Bay Area. The finding of a significant unavoidable impact is less a factor of scale of change than an acknowledgement that agricultural lands in the Bay Area are under intense development pressure. In that respect, all four alternatives could be expected to have a cumulatively considerable contribution to this significant cumulative impact;
- **Short-term Community Disruption.** When comparing disruption of existing land uses, neighborhoods, and communities in the short-term, each of the alternatives involves substantially less new construction activity than the proposed Project, and thus would be expected to result in less displacement of land use activities and disruption of travel corridors, mobility, and quality of life conditions (e.g. noise and air quality) for nearby communities. However, as described in the Draft EIR, the methodology is conservative and designed to overestimate the potential for impact. Furthermore, the significant unavoidable conclusion for the proposed Project is based not on the efficacy of mitigation measures themselves, but on the uncertainty of the specific local context at the time that projects go into construction. This same uncertainty would apply to all of the alternatives, suggesting that they too, could cause significant short-term community disruption under certain circumstances;
- **Noise Levels along Some Travel Corridors.** When comparing cumulatively considerable increase in noise levels along some travel corridors, all alternatives result in more noise impact than the proposed Project. These results suggest that all four alternatives also have a cumulatively considerable contribution to this significant cumulative impact;
- **Adverse Effects on Special-Status Species.** When comparing adverse effects on special-status plant and/or wildlife species identified as endangered, candidate, and/or special status by the CDFG or USFWS, each of the alternatives would likely result in less potential direct, construction-related impacts on special status species due to the fact that more new construction would occur at more locations under the proposed Project than under the other alternatives. However, as described in the Draft EIR, the methodology is conservative and designed to overestimate the potential for impact. In many cases, the project alignments, locations, or other design details are not known because the projects are in the early stages of planning or development. As a result, this impact analysis relies largely on the potential for biological impacts based on proximity to sensitive resources, an analysis method that inherently tends to inflate the potential for adverse effects. Due to the programmatic level of analysis in the EIR and lack of project-specific plans, it is not possible to define the exact extent of potential impact, so it is not possible to ascertain with certainty whether the identified mitigation measures for these impacts will reduce impacts to levels considered "not significant." Due to this uncertainty, this impact is considered potentially significant and unavoidable for all alternatives;
- **Conversion of Undeveloped Land Contributing to the Removal or Fragmentation of Habitat Area.** When comparing cumulatively considerable conversion of undeveloped land to

urban uses, contributing to the removal or fragmentation of habitat area, each of the alternatives would likely result in less potential contribution to construction-related impacts on wetlands, special status species, and designated or proposed critical habitat due to the fact that more new construction would occur at more locations under the proposed Project than under the other alternatives. While the Heavy Maintenance/Climate Protection Emphasis + Land Use Strategies alternative is expected to be the most effective at preventing fragmentation of habitat area, due to the programmatic level of analysis in the EIR and lack of project-specific plans, it is not possible to define the exact extent of potential impact, so it is not possible to ascertain with certainty whether the identified mitigation measures for these impacts will reduce impacts to levels considered “not significant.” Due to this uncertainty, the contribution of the alternatives to the significant cumulative impact is considered cumulatively considerable;

- **Degradation of Visual Resources.** When comparing individual and cumulative degradation of visual resources by adding or expanding development in rural or open space areas, blocking views from adjoining areas, blocking or intruding into important vistas, and changing the scale, character, and quality of designated or eligible Scenic Highways, each of the alternatives involves substantially less new construction activity than the proposed Project, and thus would be expected to result in fewer visual resource impacts than the proposed Project. In this issue area it is possible that the contribution of the alternatives to the significant cumulative impact may not be cumulatively considerable, primarily due to the exclusion of new commitments construction from the networks of the alternatives.

MTC’s conclusion from this detailed comparison is that, while selecting the environmentally superior alternative may provide some better environmental results than the proposed Project, a complete EIR analysis of the alternative would likely reveal many if not most of the same significant and unavoidable impacts, primarily due to the role of cumulative regional population growth and development which applies to every alternative considered, and secondarily due to the uncertainty built into a regional-scale programmatic analysis of environmental effects. All of the alternatives studied would result in some significant and unavoidable impacts.

Meeting Project Objectives

An alternative may be “infeasible” if it fails to sufficiently promote the lead agency’s underlying goals and objectives with respect to the Project. In terms of objectives, the Heavy Maintenance/Climate Protection Emphasis + Pricing alternative and the Heavy Maintenance/Climate Protection + Land Use are both likely to meet most of the basic project objectives of the proposed Project:

- **Maintenance & Safety** (both of these alternatives provide more spending on maintenance, operations, and shortfalls than the proposed Project);
- **Reliability & Equitable Access** (In the Transportation issue area, both of these alternatives demonstrated more accessibility to jobs by car and transit than the proposed Project);
- **Livable Communities** (both of these alternatives provide more funding than the proposed Project for the Transportation for Livable Communities Program, the Regional Bicycle Network, Transportation Climate Action Campaign, and the Lifeline Transportation Program);
- **Clean Air** (both Land Use and Pricing alternative variations perform better than the proposed Project in the Air Quality analysis); and

- **Climate Protection** (Pricing performed best and Land Use performed second-best in the Greenhouse Gas Emissions comparison).

It is less clear how well the Heavy Maintenance/Climate Protection Emphasis + Pricing alternative and Heavy Maintenance/Climate Protection + Land Use alternative would achieve the two remaining performance objectives, Efficient Freight Travel and Security & Emergency Management, particularly without the full program of improvements in the proposed Project. Nonetheless, given that both the Pricing and the Land Use alternatives perform better than the proposed Project in the transportation analysis, it is reasonable to assume that they could result in equal or more efficient freight travel and perhaps better transportation security and emergency management.

FINDINGS OF ALTERNATIVES ANALYSIS

Public Resources Code Section 21081, subdivision (a)(3) provides that when approving a project for which an EIR has been prepared, a public agency may find that “specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.”

Alternatives analyzed in the EIR need not be actually feasible, but rather need only be “potentially feasible.” (CEQA Guidelines 15126.6(a)); see also *Mira Mar Mobile Community v. City of Ocean-side* (2004) 119 Cal.App.4th 477, 489 (although the respondent city ultimately rejected as infeasible several alternatives that were evaluated in an EIR, “this conclusion does not imply these alternatives were improperly included for discussion”; “alternatives included in an EIR need only be potentially feasible”).

MTC hereby makes findings (2) and (3) in regard to the No Project alternative, Heavy Maintenance/Climate Protection Emphasis alternative, Heavy Maintenance/Climate Protection Emphasis + Pricing alternative, and Heavy Maintenance/Climate Protection + Land Use alternative. The following facts are provided in support of these findings:

- A. The No Project alternative does not include any projects that would be funded through the \$32 billion in uncommitted discretionary funds. Thus, this alternative would not provide additional transportation infrastructure beyond that which is already committed. As such, this alternative would not accommodate, as well as the proposed project, the projected growth in the Bay Area’s population and employment and the concomitant increased demand for transportation infrastructure (see DEIR, Ch. 2: Transportation). Federal and state laws require MTC to develop regional transportation plans that account for future population growth and increased infrastructure demands. Moreover, Bay Area residents and businesses rely on a functional and effective transportation system. The increased gridlock and costly delay associated with inadequate transportation infrastructure would impede economic growth and vitality. The No Project alternative is therefore legally, socially, and economically infeasible.
- B. The Heavy Maintenance/Climate Protection Emphasis alternative emphasizes maintenance of existing roadways and transit systems and does not direct any of the \$32 billion in uncommitted discretionary funds to roadway expansion projects. As such, this alternative would also not accommodate, as well as the proposed Project, the projected growth in the Bay Area’s population and employment and the concomitant increased demand for

transportation infrastructure. Federal and state laws require MTC to develop regional transportation plans that account for future population growth and increased infrastructure demands. Moreover, Bay Area residents and businesses rely on a functional and effective transportation system. The increased gridlock and costly delay associated with inadequate transportation infrastructure would impede economic growth and vitality. The Heavy Maintenance/Climate Protection Emphasis alternative is therefore legally, socially, and economically infeasible.

- C. The Heavy Maintenance/Climate Protection Emphasis + Land Use alternative would perform better than both the No Project and Heavy Maintenance/Climate Protection Emphasis alternatives and would therefore more fully satisfy legal requirements, social demands, and economic needs for adequate transportation infrastructure. However, the heightened performance of this alternative is predicated on hypothetical land use assumptions that cannot be realized without substantial governmental intervention, through regulation or new incentives to create public funding for housing and infrastructure improvements and increased levels of public services and facilities which would be needed by the proposed intensification of residential development in the urban core.
- D. While local governments currently have authority over local land use decisions, the regional agencies (MTC, ABAG, BCDC, and BAAQMD) have made significant progress towards integrating transportation and land use through regional initiatives such as the Transportation for Livable Communities Program that supports community revitalization and compact development, MTC's Transit-Oriented Development Policy that conditions Resolution 3434 Regional Transit Expansion Program discretionary funding on supportive land uses, and ABAG's demographic projections series (latest being Projections 2007) that lays out a realistic assessment of regional growth but recognizes emerging trends in markets, demographics, and local policies that promote more compact infill development and transit-oriented development. However, more aggressive land use strategies such as those tested in this alternative would be infeasible absent new regulations and authority. Furthermore, while some local governments are already taking steps to plan for transit-oriented development and other infill opportunities, unresolved conflicts with local General Plans, "community character" concerns, and local economic development objectives would tend to substantially hinder realization of these land use assumptions. It is therefore currently legally infeasible for MTC to impose the land use changes discussed in this alternative. Furthermore, without reasonable assurance the program would perform as modeled absent statutory authority for implementation, this alternative is also socially and economically infeasible for the purposes of this regional transportation plan update.
- E. The Heavy Maintenance/Climate Protection Emphasis + Pricing alternative would also perform better than both the No Project and Heavy Maintenance/Climate Protection Emphasis alternatives and would therefore more fully satisfy legal requirements, social demands, and economic needs for adequate transportation infrastructure. However, the heightened performance of this alternative also presumes that regional agencies have certain authority to impose new pricing strategies, most of which are subject to legislative or voter approval. For those strategies that require legislative or voter approval, any economic downturn reduces public support for "taxing" schemes that intentionally raise the price of driving, particularly in the short term before households can locate closer to urban centers and transit.
- F. Though the Regional HOT Network will require new legislative authority to implement in the Bay Area, the magnitude of the legislative changes required for the aggressive pric-



ing strategies proposed under this alternative are greater and possibly more contentious than changes required for the HOT Network. Indeed, some pricing strategies such as parking cash-out are expressly limited in application by state law. While MTC actively advocates in Sacramento and Washington, DC, for expansion of statutory authority to implement pricing strategies such as the HOT Lane Network, the difference between MTC's existing authority and that required to implement the modeled pricing strategies is so large it is unreasonable to assume that the alternative could be implemented effectively. For example, for MTC to impose the carbon tax or VMT tax described in the Draft EIR, one of the following would be required: 1) the legislature would need to enact the tax either by a majority or a two-thirds (2/3) vote (depending on whether the tax is a special or general tax), 2) MTC would have to adopt the tax and this decision would have to be ratified by the voters through a two-thirds (2/3) majority vote (Cal. Const., art. XIII(a), Section 4), or 3) the voters would need to approve the tax by voting in favor of a proposition (the equivalent of Proposition 42 passed in 2002 or Proposition 1B passed in 2006). As to the other pricing strategies contemplated in this alternative, MTC does not have the authority of ability to directly impose a congestion fee for use of congested freeways, and only local governments can impose increases to parking prices. It is therefore currently legally infeasible for MTC to impose the pricing strategies discussed in this alternative. Without reasonable assurance the program would perform as modeled, it is infeasible to adopt this alternative for the purposes of this regional transportation plan update.

- G. Feasibility under CEQA may also encompass desirability to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, and technological factors. (*City of Del Mar v City of San Diego* (1982) 133 Cal.App.3d 410, 417.) The Heavy Maintenance/Climate Protection Emphasis alternative, Heavy Maintenance/Climate Protection Emphasis + Land Use alternative, and the Heavy Maintenance/Climate Protection Emphasis + Pricing alternative all exclude some new projects and programs such that they could be in conflict with countywide transportation plans as proposed by the CMAs. The State's regional transportation plan guidelines state that the RTP should "identify and incorporate other State and local transportation plans and programs." MTC's regional planning process is designed to incorporate the public participation and outreach processes that were undertaken at the local level to develop the transportation improvement packages proposed by CMAs for inclusion in the Transportation 2035 Plan. This is because transportation plans and projects evolve over time, often through complex multi-agency consultation, public outreach and review processes. The regional planning process does not require agencies, at every instance, to return to "square one" to continually reconsider the appropriate form and impact of their long-range planning efforts. Though the regional transportation plan must be updated every four years, transportation improvements take many years to plan, review, design, fund, and implement. Comment letters in Section 3 of the Final EIR from the Alameda County Congestion Management Agency, Santa Clara Valley Transportation Authority, and City/County Association of Governments of San Mateo County, respectively, underscore that their programs are not a collection of miscellaneous investments, but rather a program of projects that are interrelated and have been vetted within each community. For this additional reason, these alternatives would be undesirable, and legally and socially infeasible.